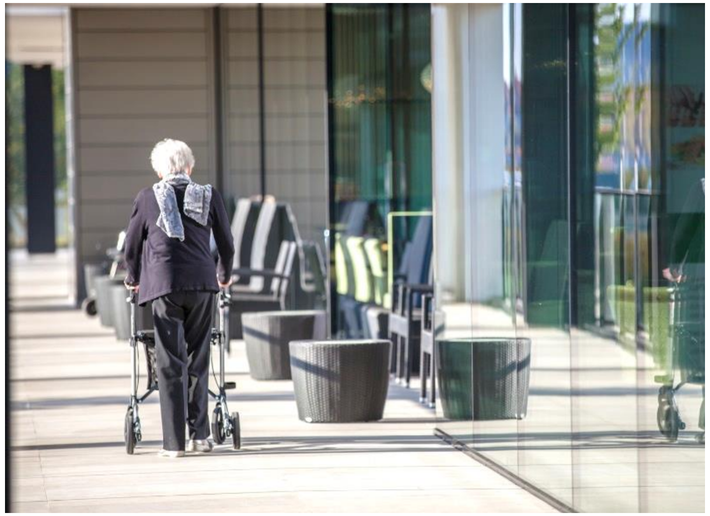
# Half year results 2022



Brussels, 5 August 2022

aedifica

housing with care

# Table of content

# Highlights H1 2022

**Militza Brugge**
**Burgge – Belgium**

# Highlights H1 2022

aedifica
housing with care

| | | | |
|---|---|---|---|
| **€85.9 million**<br>+27% YoY<br>EPRA Earnings | **8**<br>countries | **€820 million**<br>Pre-let development projects and acquisitions in progress | **41%**<br>Debt-to-assets ratio |
| **€131.0 million**<br>+21% YoY, +4.2% L-F-L<br>Rental income | **599**<br>Healthcare sites | **14**<br>Projects completed (approx. €63 m) | **€309 million**<br>raised on capital markets & 2 contributions in kind |
| **€5.3 billion**<br>+8% (+ €381 m) compared to Dec 2021<br>Real estate portfolio | **>44,000**<br>Users | **100%**<br>Occupancy rate | **€421 million**<br>new LT bank financing |
| **€2.36/share**<br>EPRA EPS | **>130**<br>Operator groups | **20 years**<br>WAULT | **BBB with a stable outlook**<br>Credit rating from S&P Global Ratings |

# Financials

Seniorenquartier Weyhe
Weyhe - Germany

# Income Statement
## EPRA Earnings

### EPRA EARNINGS YOY INCREASE OF 27%

| Consolidated income statement - analytical format (x €1,000) | 30/06/2022 | 30/06/2021 |
|---|---|---|
| Rental income | 131,034 | 108,271 |
| Rental-related charges | -476 | -762 |
| Net rental income | 130,558 | 107,509 |
| Operating charges* | -21,163 | -18,112 |
| Operating result before result on portfolio | 109,395 | 89,397 |
| *EBIT margin* (%)* | *84%* | *83%* |
| Financial result excl. changes in fair value* | -15,616 | -16,805 |
| Corporate tax | -7,656 | -5,250 |
| Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of EPRA Earnings | 33 | 230 |
| Non-controlling interests in respect of EPRA Earnings | -271 | -135 |
| **EPRA Earnings* (owners of the parent)** | **85,885** | **67,437** |
| Denominator (IAS 33) | 36,358,048 | 33,336,107 |
| **EPRA Earnings* (owners of the parent) per share (€/share)** | **2.36** | **2.02** |

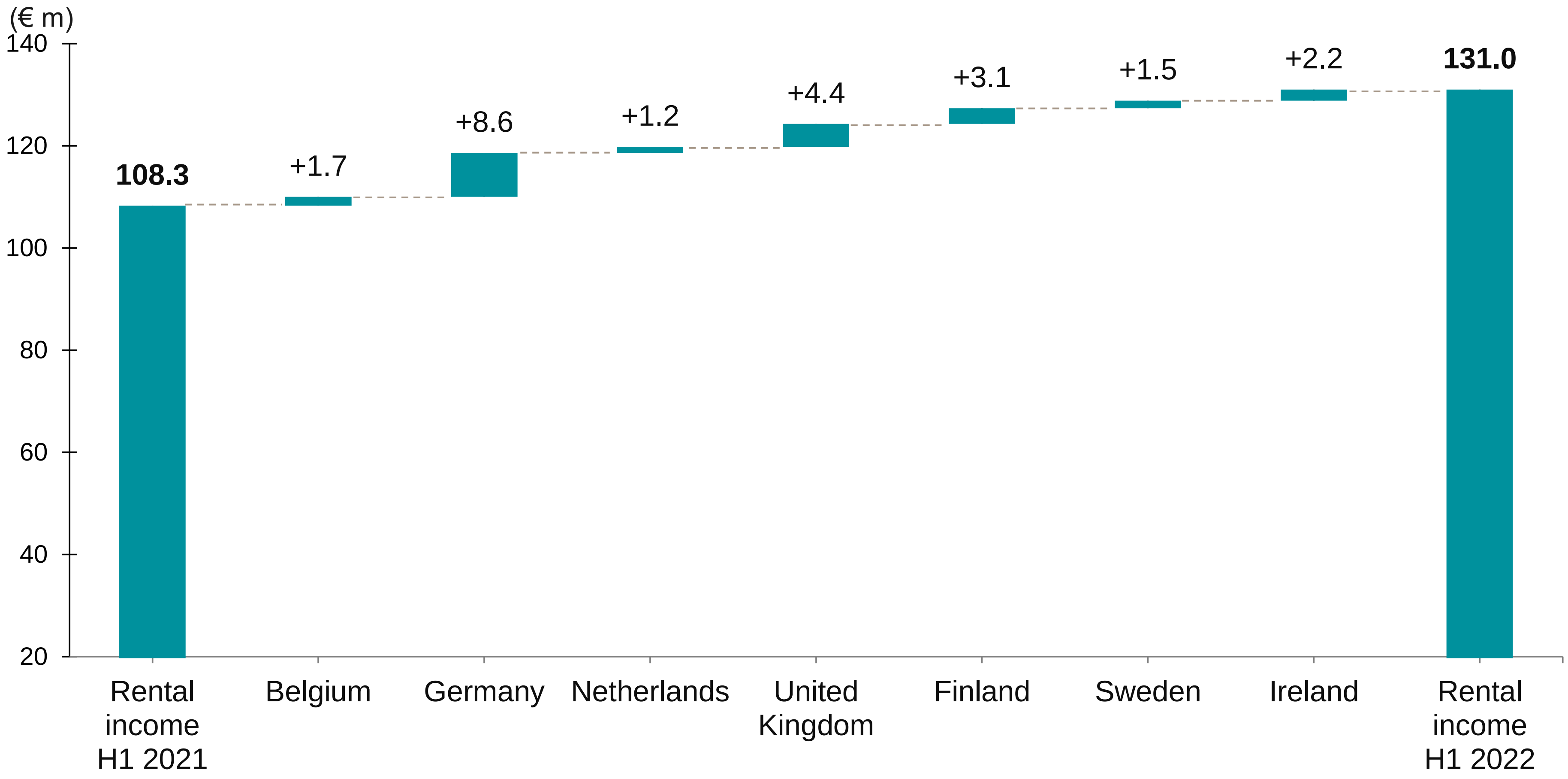
# Income Statement

## Net result

### EARNINGS PER SHARE: DRIVEN BY STRONG VALUATION INCREASE

| Consolidated income statement - analytical format (x €1,000) | 30/06/2022 | 30/06/2021 |
|---|---|---|
| EPRA Earnings* | 85,885 | 67,437 |
| Changes in fair value of financial assets and liabilities | 65,180 | 6,010 |
| Changes in fair value of investment properties | 116,351 | 53,981 |
| Gains and losses on disposals of investment properties | 784 | 198 |
| Tax on profits or losses on disposals | -1,047 | -559 |
| Negative goodwill / goodwill impairment | -47 | 0 |
| Deferred taxes in respect of EPRA adjustments | -29,553 | -16,347 |
| Share in the profit or loss of associates and joint ventures accounted for using the equity method in respect of the above | 1,468 | 2,524 |
| Non-controlling interests in respect of the above | 30 | -400 |
| Roundings | 0 | 0 |
| **Profit (owners of the parent)** | **239,051** | **112,844** |
| Denominator (IAS 33) | 36,358,048 | 33,336,107 |
| **Earnings per share (owners of the parent - IAS 33 - €/share)** | **6.57** | **3.39** |

# Rental income

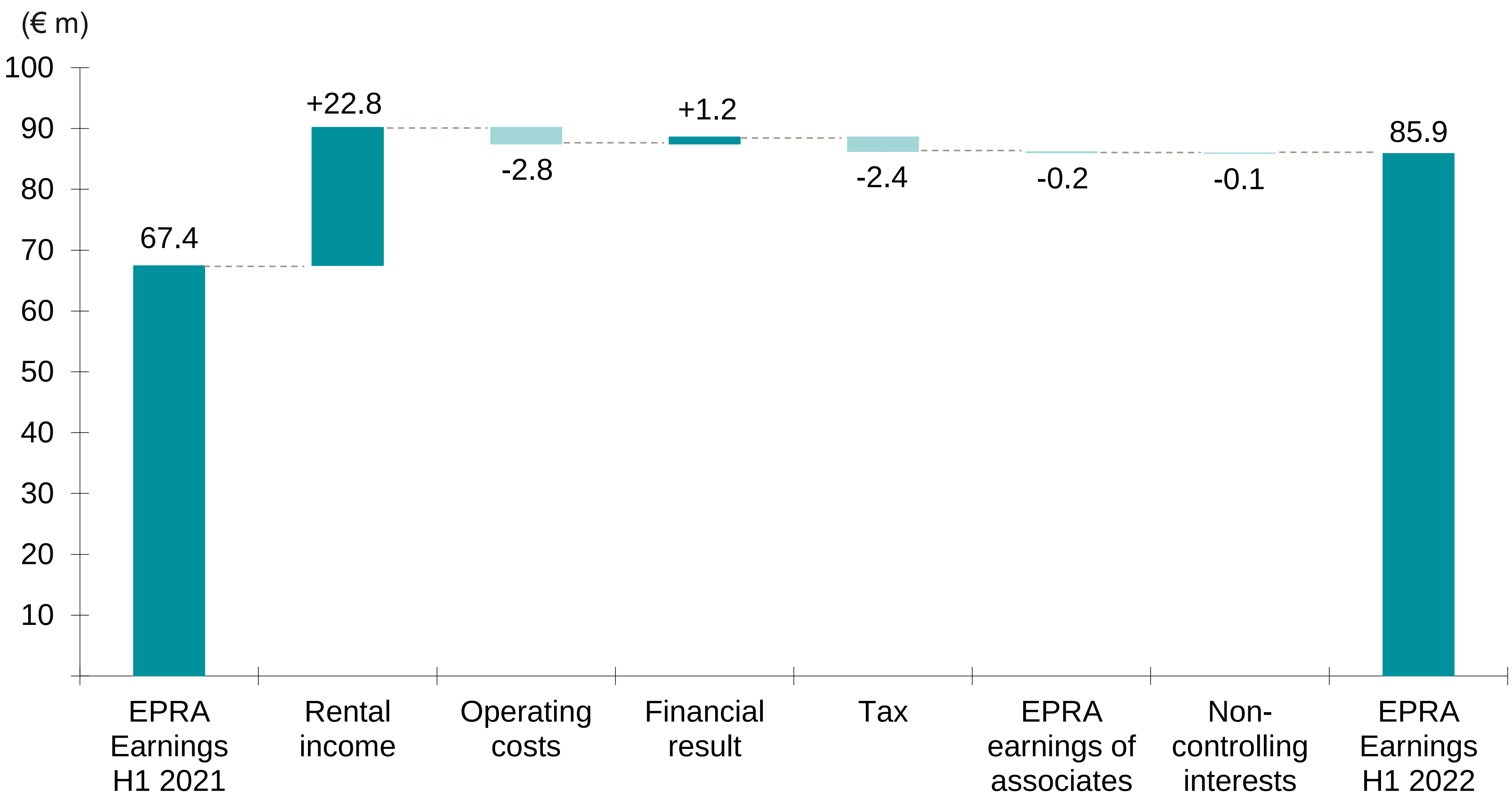



| | Belgium | Germany | Netherlands | United Kingdom | Finland | Sweden | Ireland | Rental income H1 2022 |
|---|---|---|---|---|---|---|---|---|
| **Change:** | **+5.6%** | **+44.6%** | **+8.1%** | **+19.2%** | **+16.1%** | **+346.7%** | **+418.7%** | **+21.0%** |
| **Like-for-like change:** | **+3.1%** | **+1.3%** | **+2.4%** | **+6.3%** | **+4.0%** | **+2.5%** | **+0.0%** | **+4.2%** |

The variation on a like-for-like basis is shown for each country in the local currency. The total variation on a like-for-like basis is shown in the Group currency.

**21% increase YoY**

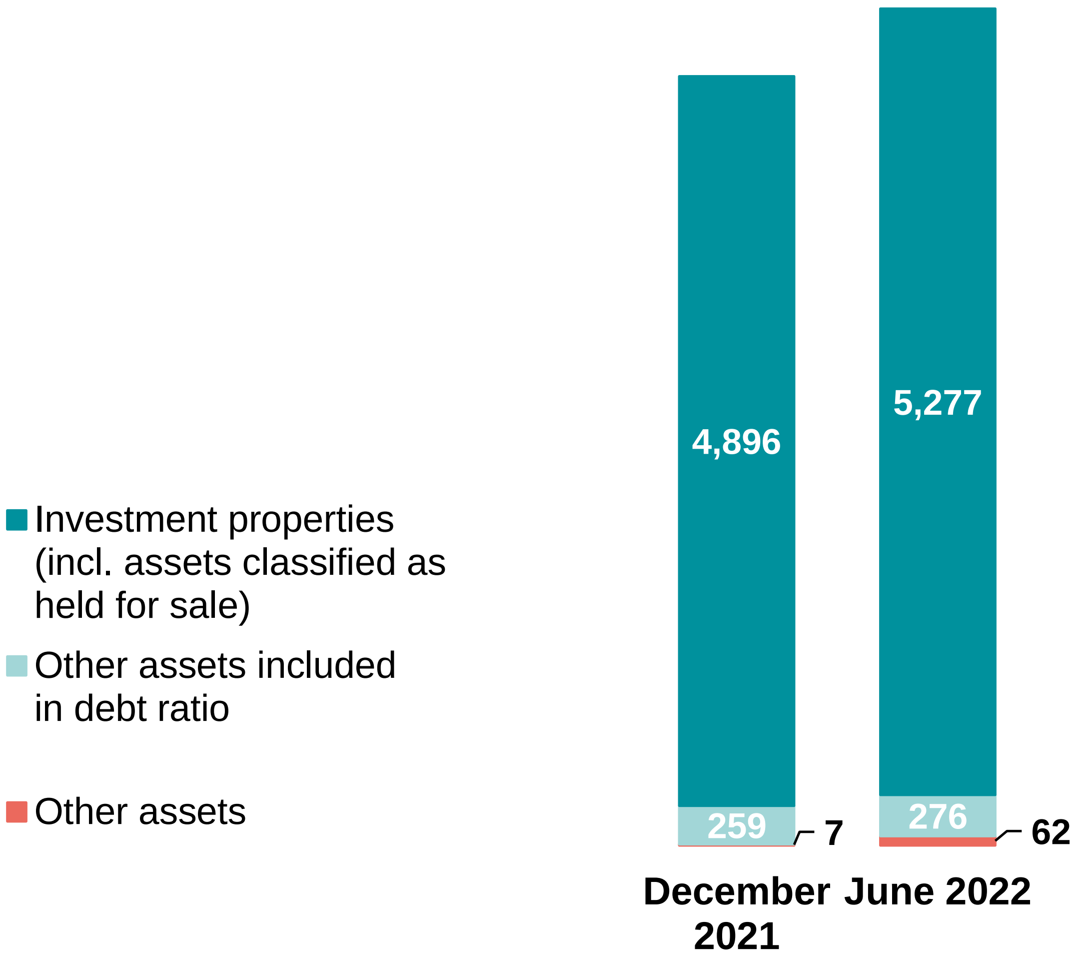
# EPRA Earnings

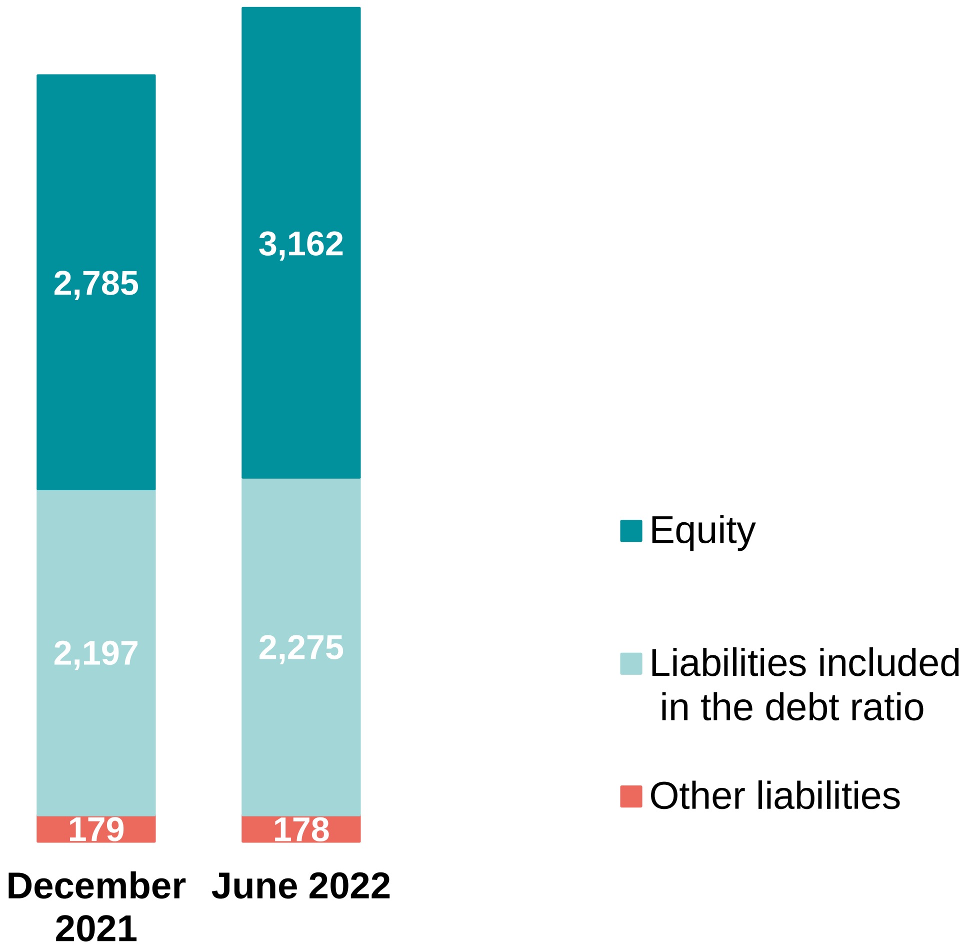



**27%**
**increase YoY**

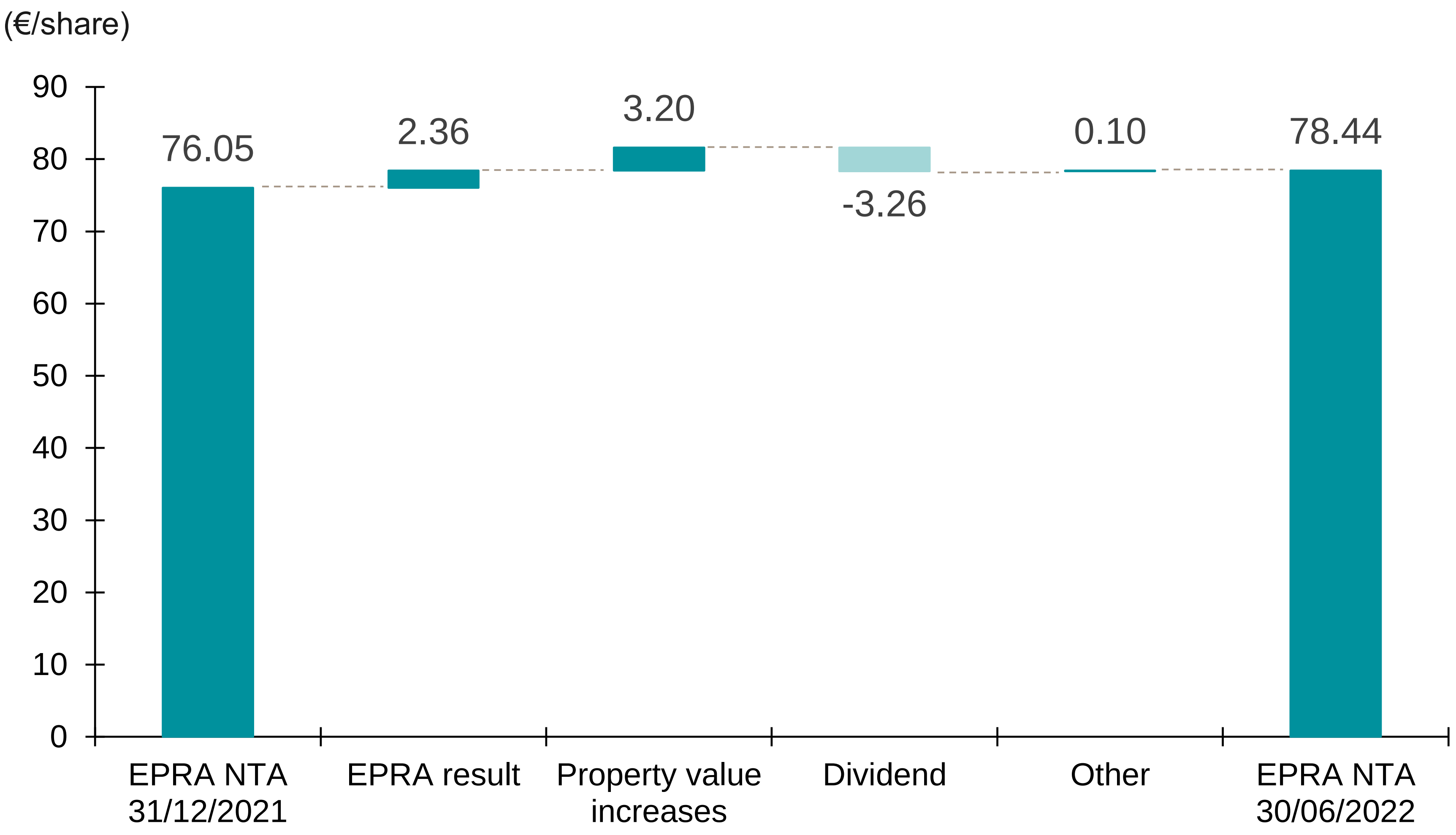
# Consolidated balance sheet (€ m)

## Balance sheet total: €5.62 billion



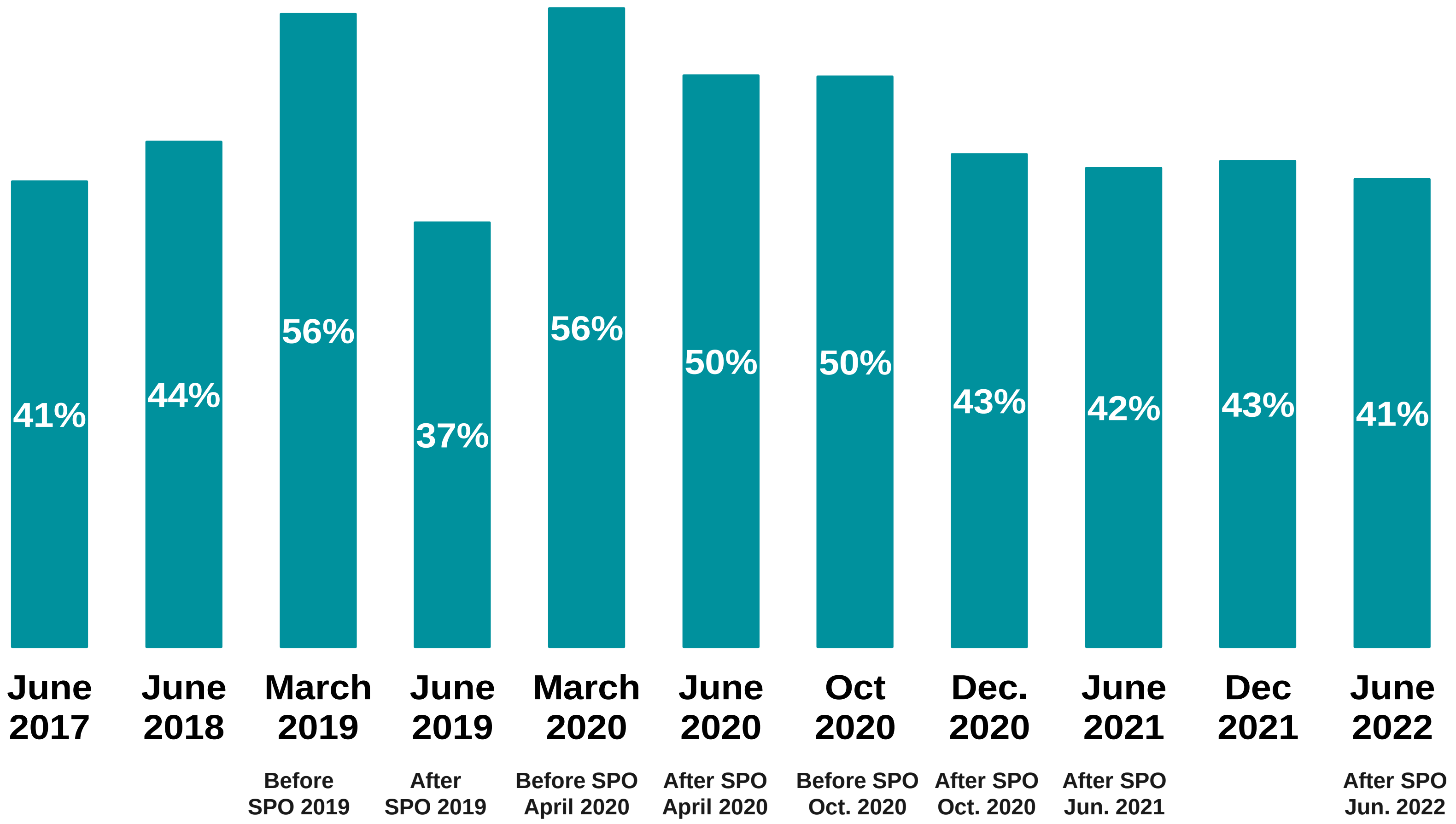



# EPRA NTA




**3% increase**

# Debt-to-assets ratio



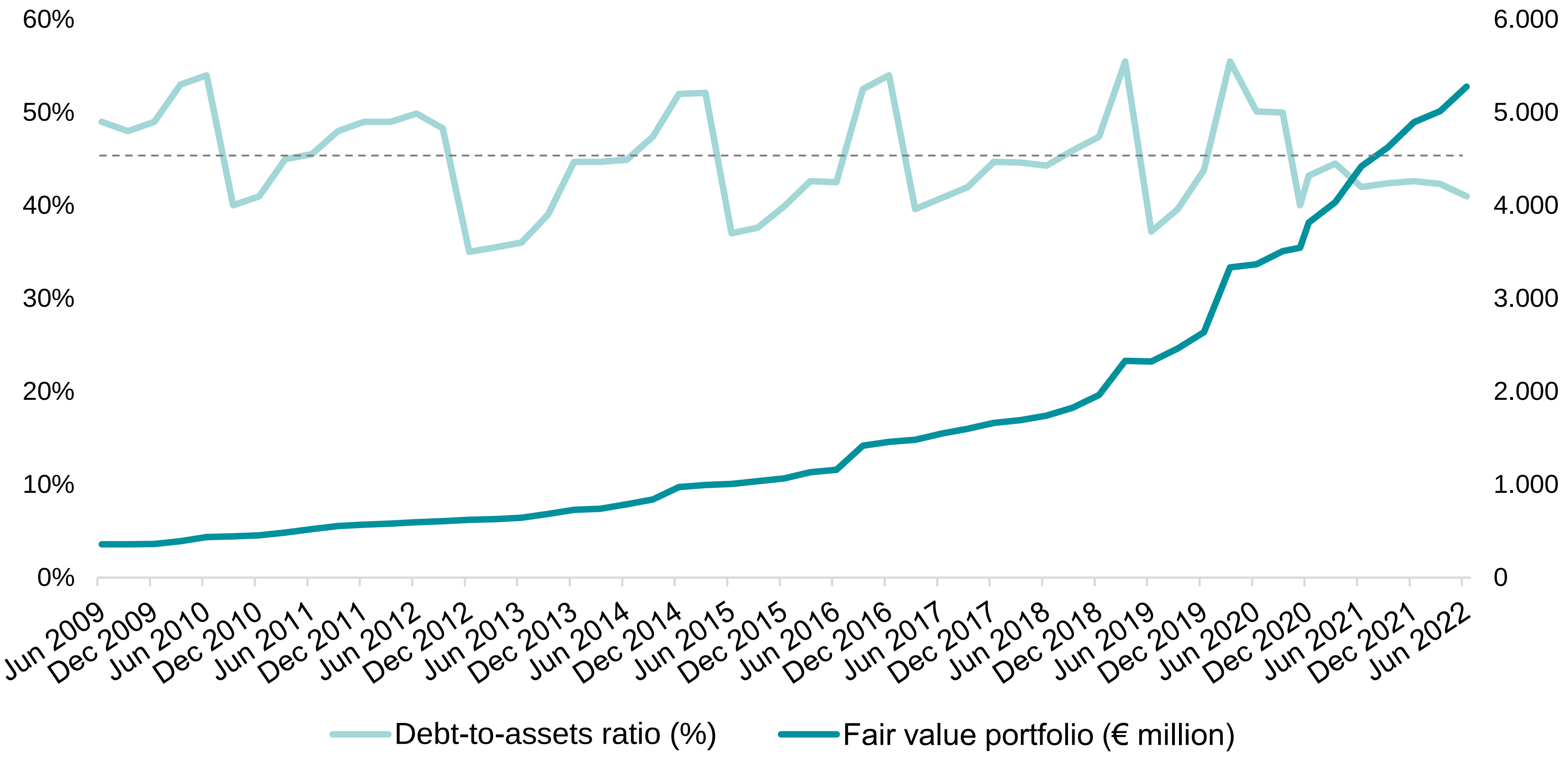

**Financial policy: debt-to-assets ratio <50%**

**Investment capacity: approx. €1 billion before reaching 50% DTA or approx. €400 million before reaching 45% DTA**

Bank covenants stand at a maximum of 60%.

# Debt-to-assets ratio

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| €67m rights issue Oct 2010 | €100m rights issue Dec 2012 | €153m rights issue June 2015 | €219m rights issue Mar 2017 | €418m rights issue May 2019 | €207m ABB Apr 2020 | €459m rights issue Oct 2020 | €286m ABB Jun 2021 | €254m ABB Jun 2022 |




**Over the past 12 years, Aedifica maintained an average debt-to-assets ratio of 45%**

# Credit facilities

## Total financial debt: €2,163 m

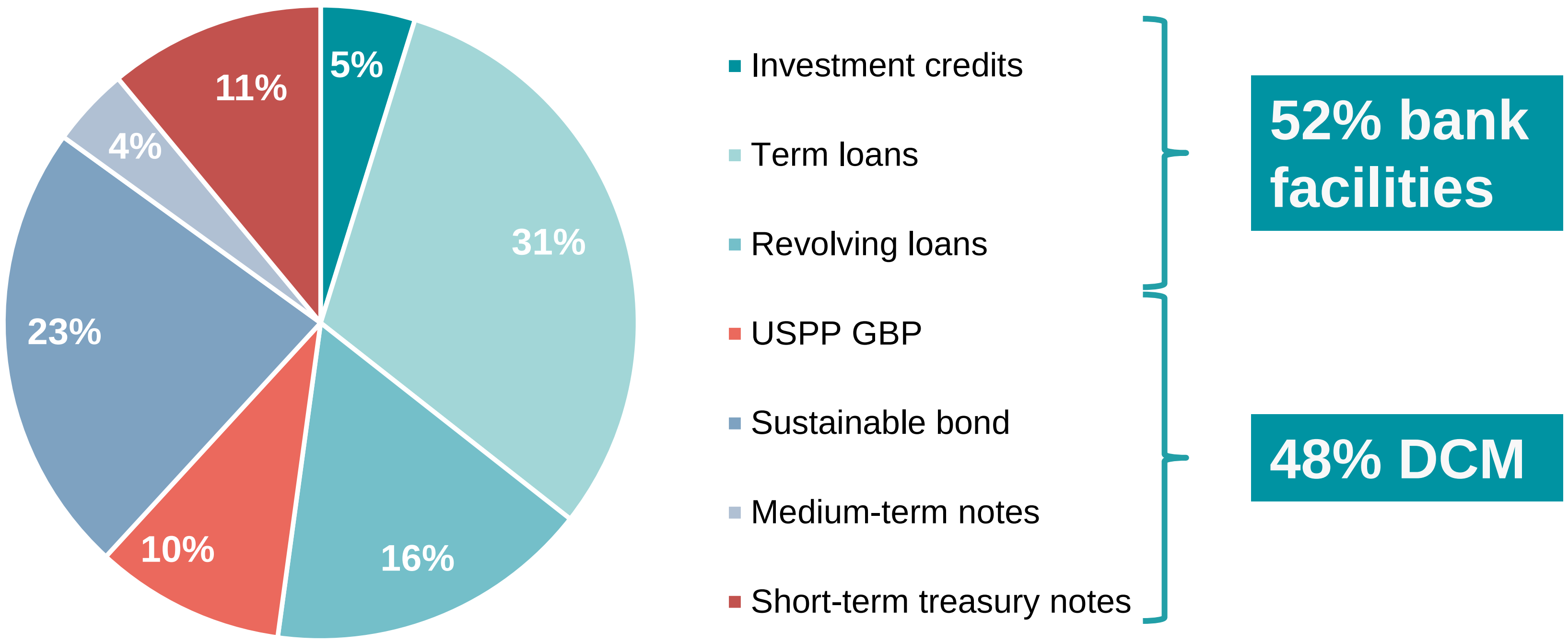
**Credit rating BBB with stable outlook from S&P Global**

**27% sustainable financing of drawn debt**

**Unsecured financing** except

− Hoivatilat where certain particularities apply, and

− Germany, in very limited cases



# Credit facilities

## Overview new & refinanced credit facilities H1 > €420m

**Q1: €105 million**

- €65m new credit facilities
- €40m refinancing of existing credit facilities

**Q2: > €315 million**

- €30m refinancing existing credit facilities sustainability linked
- €100m new & Sustainability linked credit facilities
- GBP160m new credit facilities of which GBP110m sustainability linked

**Average credit spread:**
~100bps for 5 years

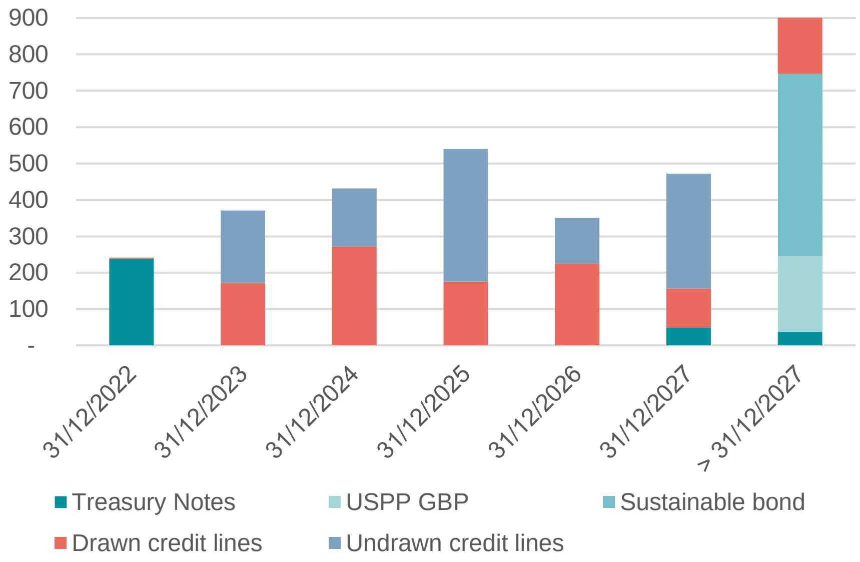
**6 banks provided credit facilities for the new & refinanced loans**

# Credit facilities

## LIQUIDITY

| Financial debt (in € million)[1] | Lines | Utilisation | of which treasury notes |
|---|---|---|---|
| 31/12/2022 | 242 | 242 | 239 |
| 31/12/2023 | 371 | 172 | - |
| 31/12/2024 | 432 | 272 | - |
| 31/12/2025 | 540 | 175 | - |
| 31/12/2026 | 351 | 224 | - |
| 31/12/2027 | 472 | 156 | 50 |
| > 31/12/2027 | 923 | 923 | 37 |
| **Total as of 30 June 2022** | **3,330** | **2,163** | **326** |
| **Weighted Average Maturity (in years)**[2] | **4.4** | **5.2** | |

## DEBT MATURITY PROFILE



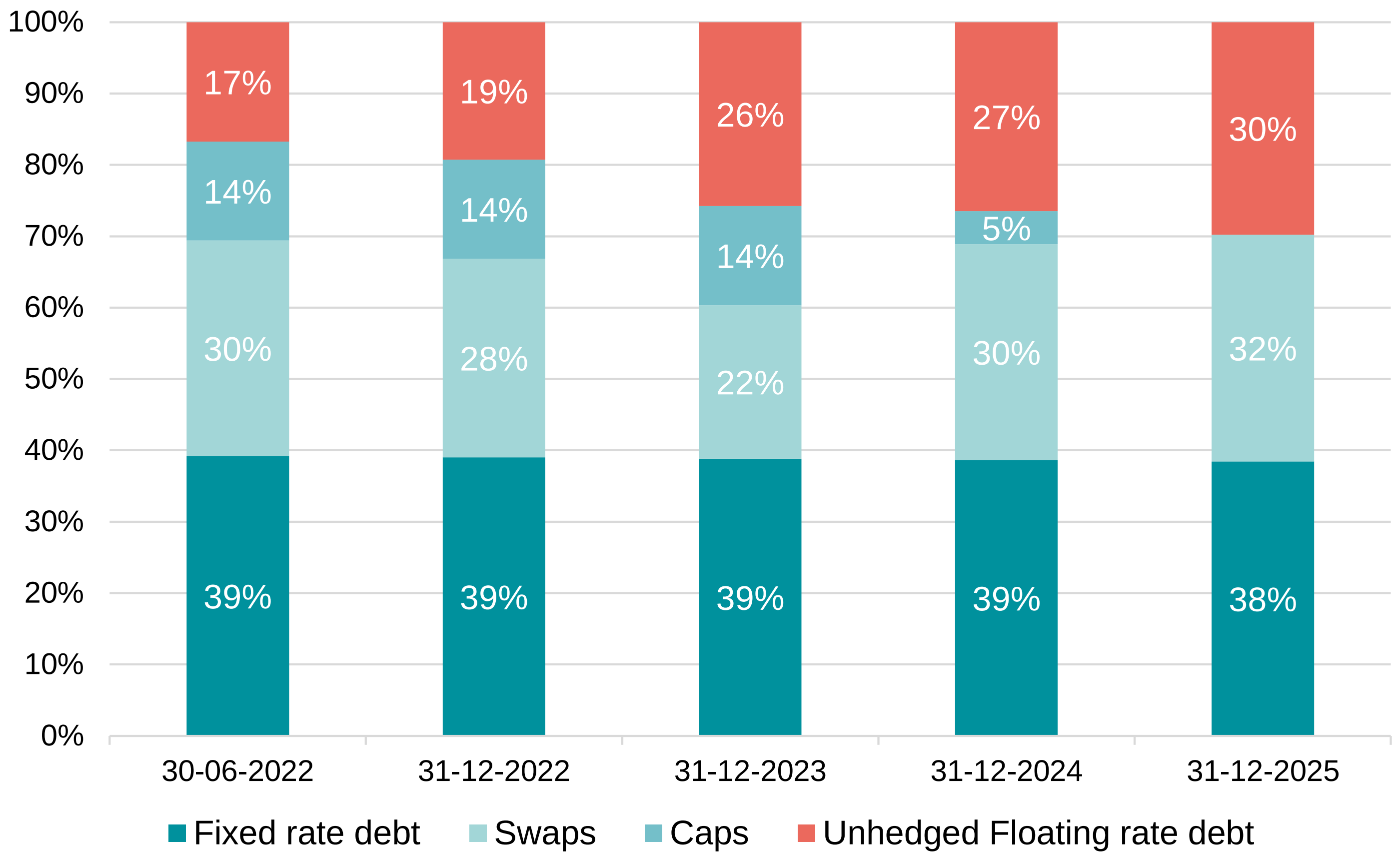

**Weighted average debt maturity (excl. CP): 5.2 years**

**Liquidity headroom after deduction of short-term CP: €929 million**

[1] Amounts in £ were converted into € based on the exchange rate of 30 June 2022 (1.1621 £/€).
[2] Without regard to short-term treasury notes.

# Credit facilities

## Interest rate hedging[1]




**83% of debt hedged by derivatives or fixed rate debt as of 30 June 2022**

**Hedging weighted average maturity : 6.4 years**

[1] Assuming debt as of 30 June 2022 unchanged.

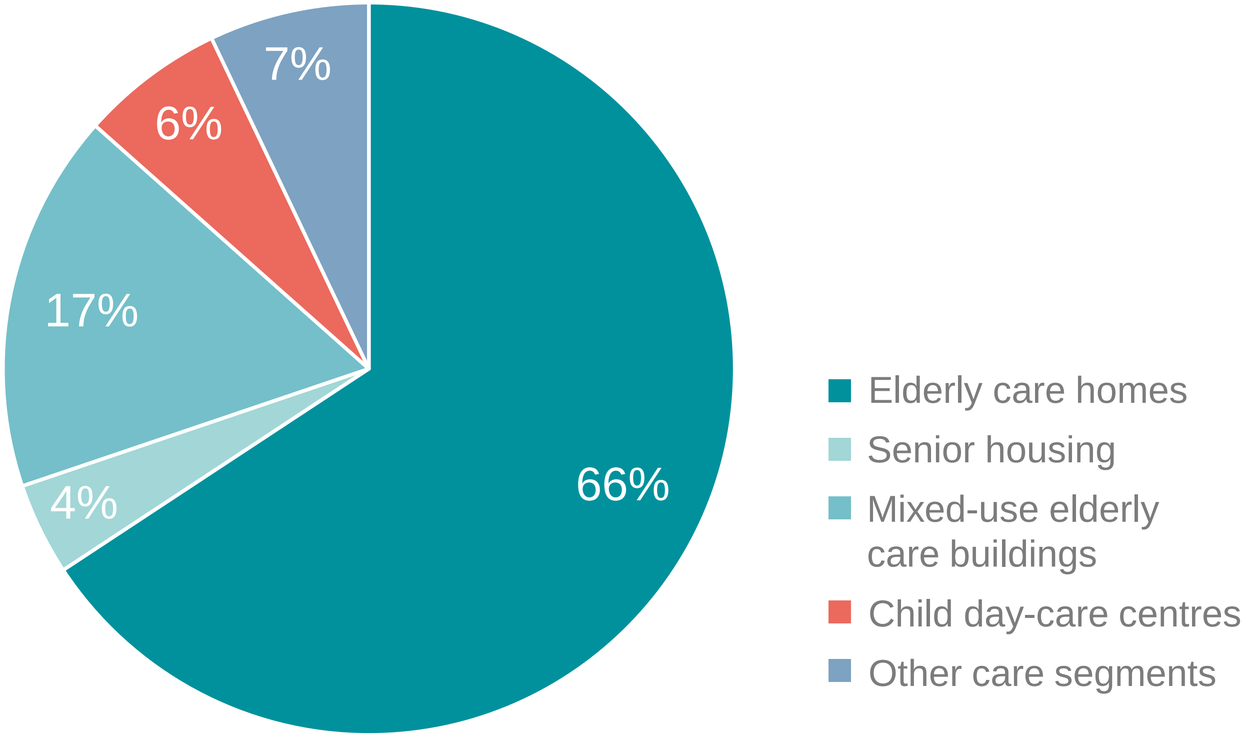
# Portfolio analysis

Villa Nuova
Vorden - Netherlands

# Healthcare real estate portfolio

## Healthcare segment breakdown

### FOCUS ON CARE FACILITIES FOR ELDERLY PEOPLE

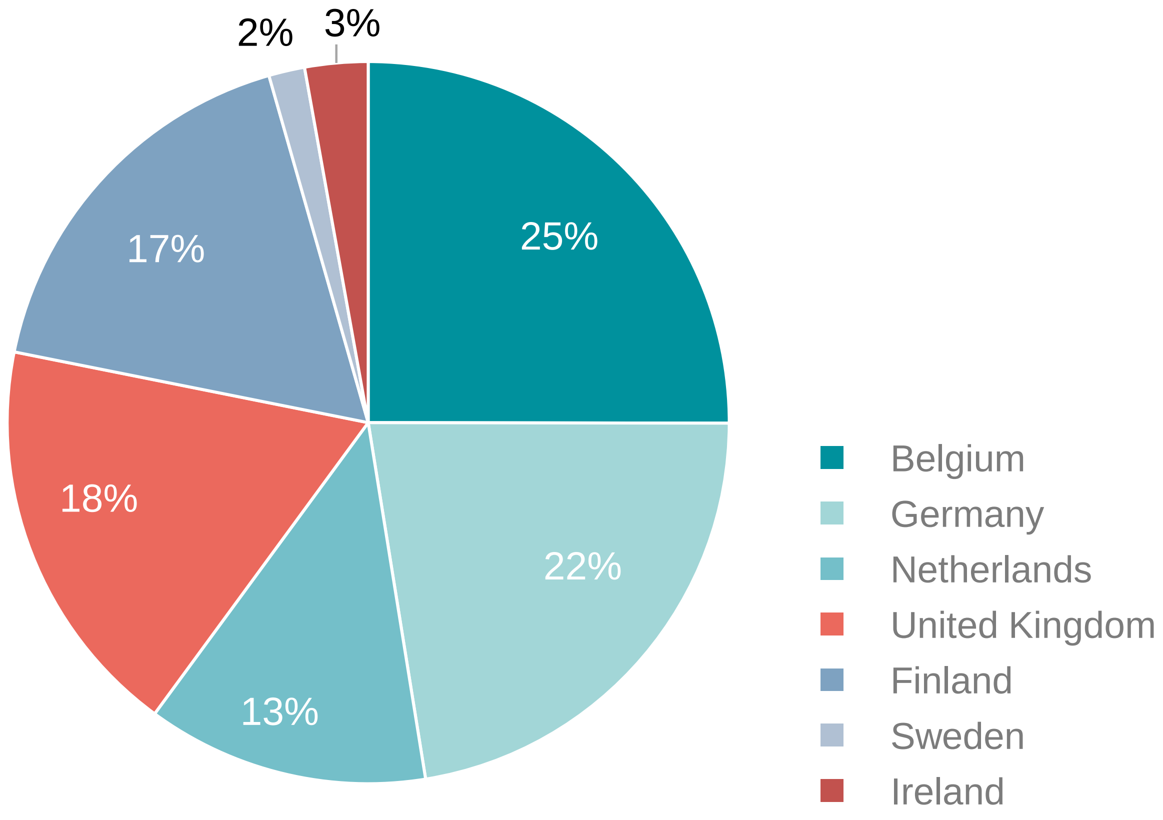



Marketable investment properties incl. assets classified as held for sale (€4,981 m), excl. rights of use of plots of land.

# Healthcare real estate portfolio

## Geographical breakdown

### DIVERSIFICATION AMONG EUROPEAN COUNTRIES




Marketable investment properties incl. assets classified as held for sale (€4,981 m), excl. rights of use of plots of land.

# Belgian healthcare portfolio

## PORTFOLIO OF 83 ASSETS

**€1,246 m**
Portfolio Fair Value

**~8,500**
Residents

**5.3%**
Yield on Fair Value

**21 years**
WAULT

**12**
projects to be completed

**17**
Tenant groups

**~€1,394 m**
Portfolio outlook as of 5 August 2022

**Inflation-linked**
triple net long leases

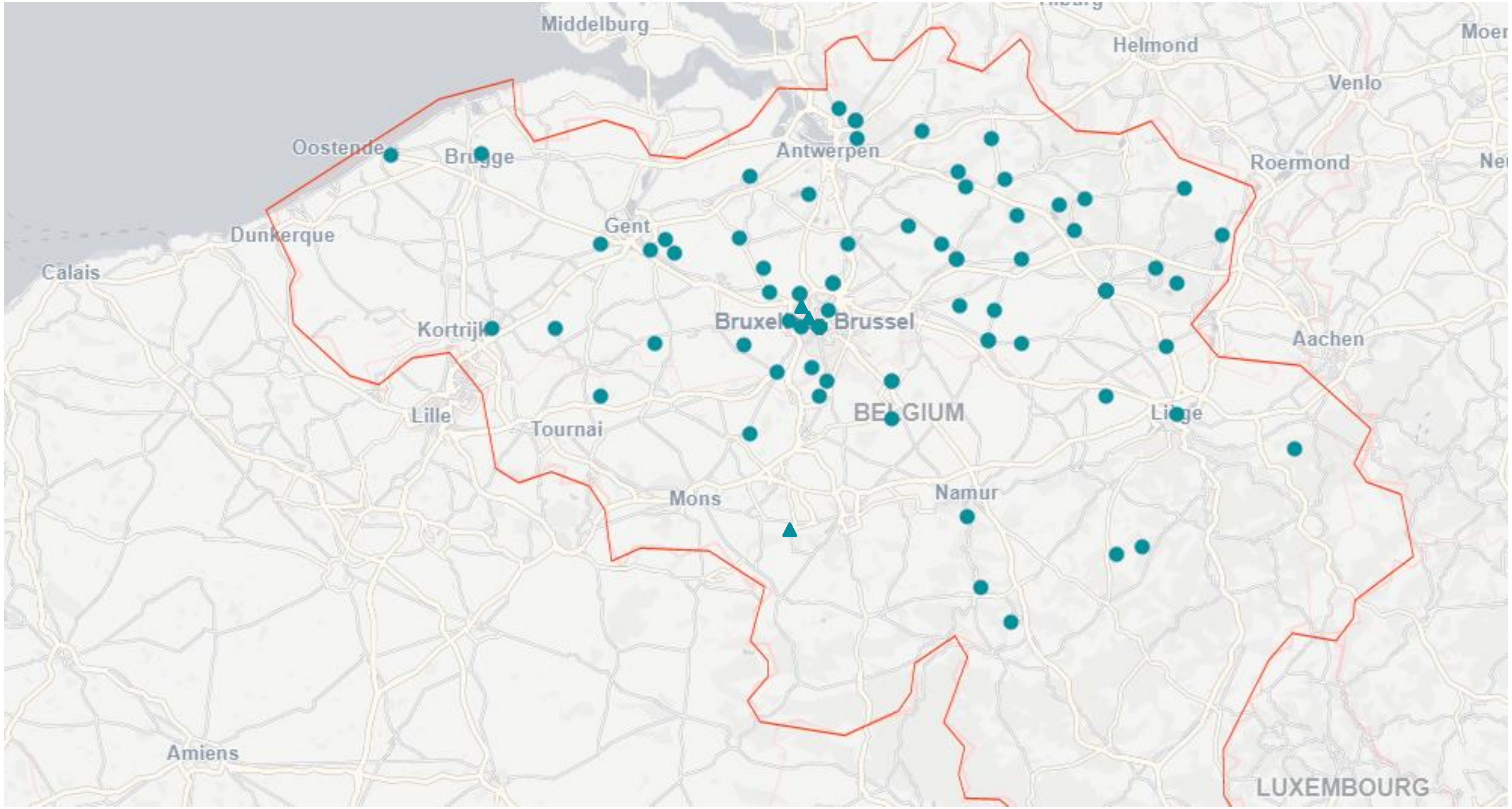
## BELGIUM

Very mature healthcare real estate market

Elderly care: highly consolidated profit segment

Elderly care: future potential in not-for-profit and public segments

# Belgian healthcare portfolio




- Marketable investment properties
- Projects in the investment program or subject to outstanding conditions

# Belgian healthcare portfolio

**Klein Veldekens, Geel - 132 units**

**Résidence Véronique, Somme – Leuze – 131 units**

**Militza Gent, Ghent - 90 units**

**Jardin Intérieur, Frasnes-lez-Anvaing - 101 units**

# German healthcare portfolio

## PORTFOLIO OF 103 ASSETS

**€1,117 m**
Portfolio Fair Value

**~10,500**
Residents

**5.1%**
Yield on Fair Value

**22 years**
WAULT

**23**
projects to be completed

**22**
Tenant groups

**~€1,333 m**
Portfolio outlook as of 5 August 2022

**Inflation-linked**
Double net long leases with threshold

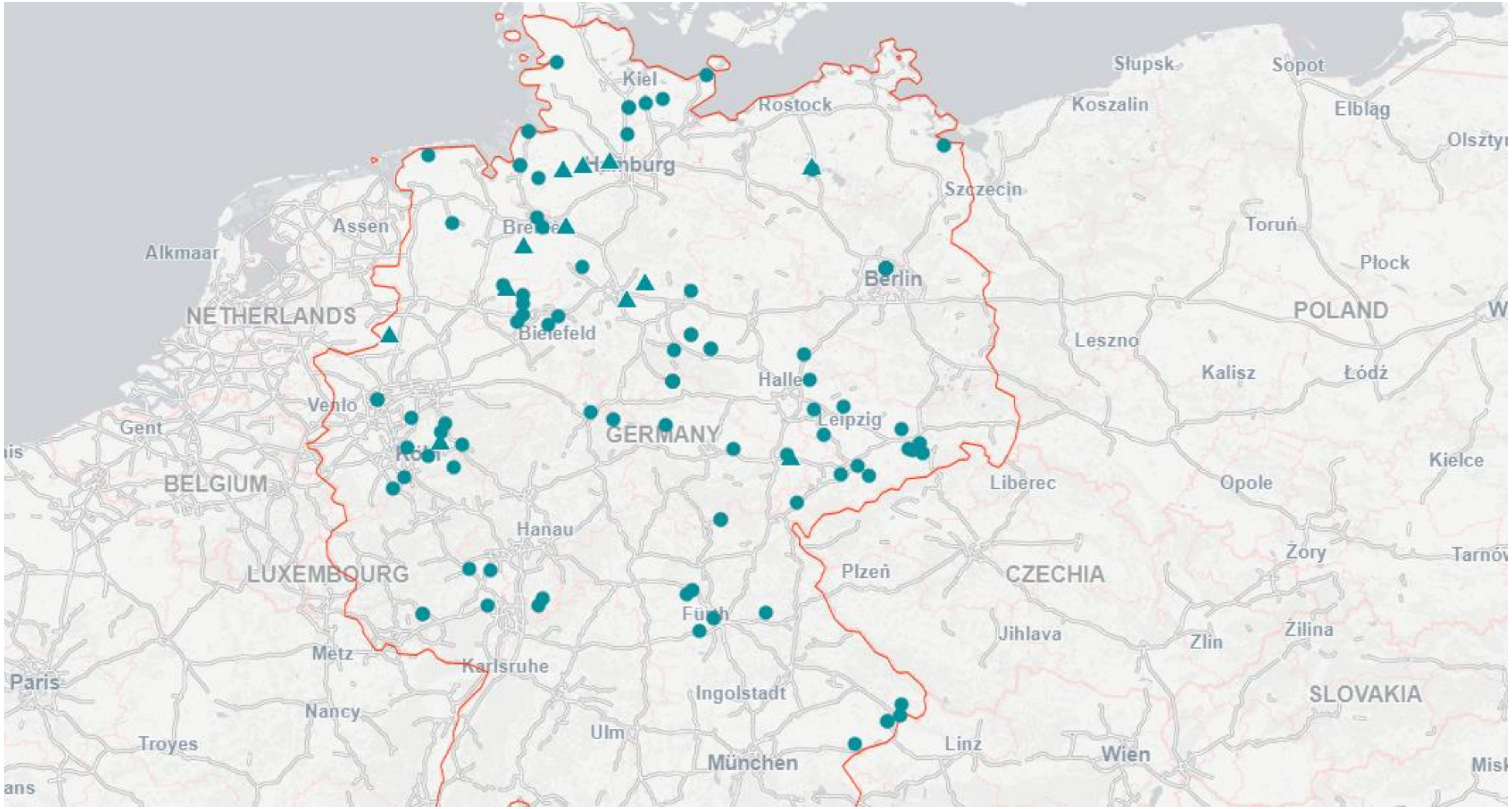
## Germany

Growth potential due to ageing of German population

Elderly care: market in consolidation

Yield compression

# German healthcare portfolio




- Marketable investment properties
- Projects in the investment program

# German healthcare portfolio

**Seniorenquartier Weyhe, Weyhe - 109 units**

**Seniorenzentrum Alte Zwirnerei, Gersdorf - 104 units**

**Seniorenquartier Bremen, Bremen - 109 units**

**Seniorenhaus Lessingstrasse, Wurzen - 73 units**

# Dutch healthcare portfolio

## PORTFOLIO OF 74 ASSETS

**€628 m**
Portfolio Fair Value

**~3,200**
Residents

**5.4%**
Yield on Fair Value

**17 years**
WAULT

**11**
projects to be completed

**24**
Tenant groups

**~€691 m**
Portfolio outlook as of 5 August 2022

**Inflation-linked**
Mostly triple net long leases

**Strategic partnership**
with the developer Dunavast-Sonneborgh

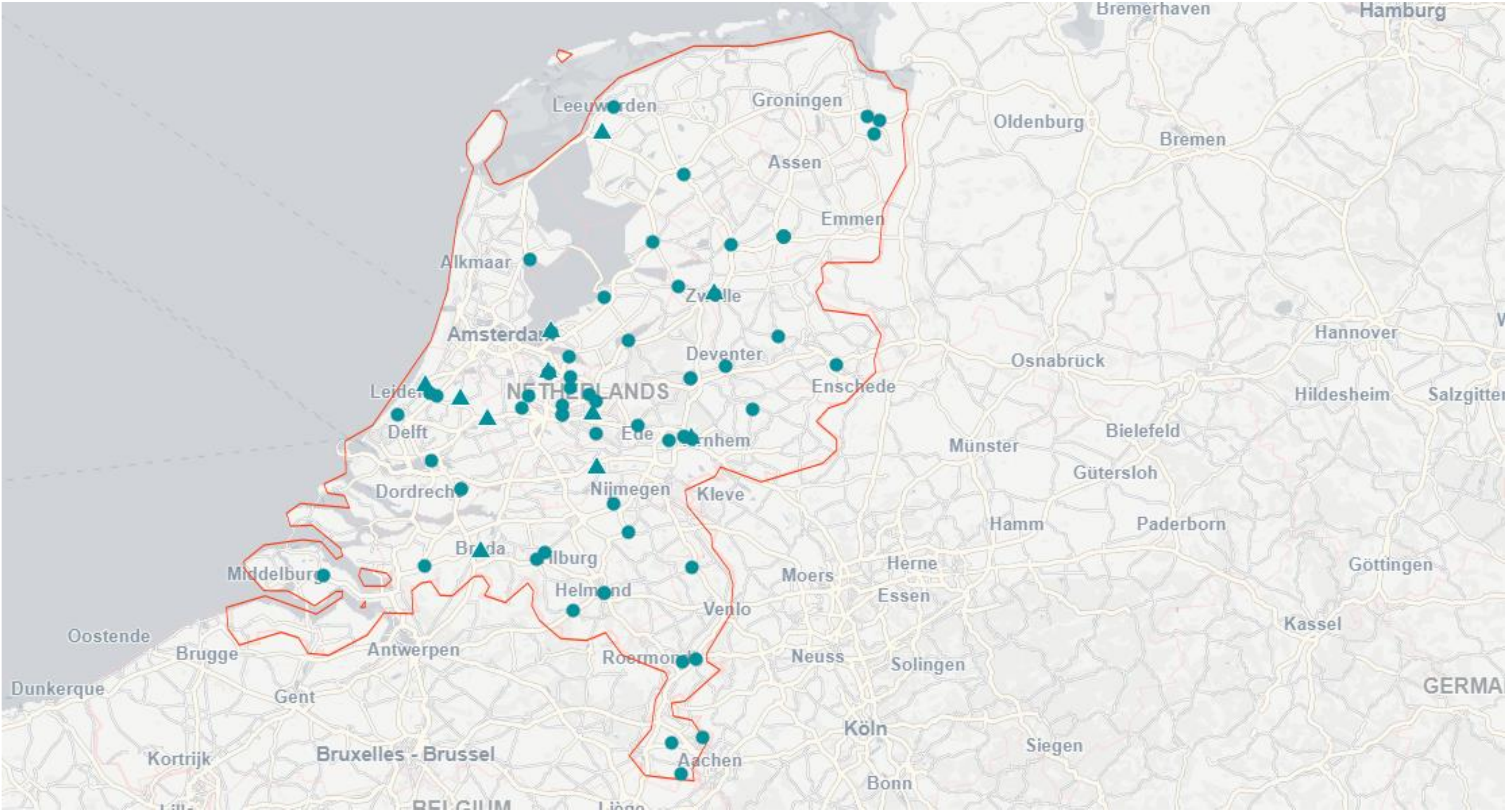
## Netherlands

Healthcare real estate market becoming more competitive and liquid

Operators: predominantly not-for-profit; consolidation & internationalisation of profit operators kicking in

Yield compression

# Dutch healthcare portfolio




- ● Marketable investment properties
- ▲ Projects or projects subject to outstanding conditions in the investment program

# Dutch healthcare portfolio


**Martha Flora Oegstgeest, Oegstgeest**
**- 20 units**

**Martha Flora Rotterdam, Rotterdam**
**- 29 units**

**Het Gouden Hart Soest - Soest**
**- 36 units**

**Pachterserf, Apeldoorn**
**- 48 units**

# UK & Channel Islands healthcare portfolio

## PORTFOLIO OF 111 ASSETS

**€900 m**
Portfolio Fair Value

**~7,100**
Residents

**6.3%**
Yield on Fair Value

**21 years**
WAULT

**15**
projects to be completed

**15**
Tenant groups

**~€1,021 m**
Portfolio outlook as of 5 August 2022

**Inflation-linked**
triple net long leases

## United Kingdom

Fragmented care home market

Huge development and growth potential due to outdated social infrastructure

Equipment rate in the UK is lower than in BE, DE, NL

# UK & Channel Islands healthcare portfolio


- ● Marketable investment properties
- ▲ Projects or projects subject to outstanding conditions/forward purchases in the investment program

# UK & Channel Islands healthcare portfolio

Sleaford Ashfield Road, Sleaford - 68 units

Abbot Care Home, Harlow - 117 units

Creggan Bahn Court - Ayr - 58 units

Le petit Bosquet, Jersey - 43 units

# Finnish healthcare portfolio

## PORTFOLIO OF 192 ASSETS

**€868 m**
Portfolio Fair Value

**~13,000**
Users

**5.3%**
Yield on Fair Value

**12 years**
WAULT

**24**
projects to be completed

**44**
Tenant groups

**~€1,021 m**
Portfolio outlook as of 5 August 2022

**Inflation-linked**
double net long leases

**Yield on cost**
on average >6%

**14%**
share of public tenants in Finnish portfolio

**Experienced development team** in-house

**'Build & hold' model**
giving access to development margins

## Finland

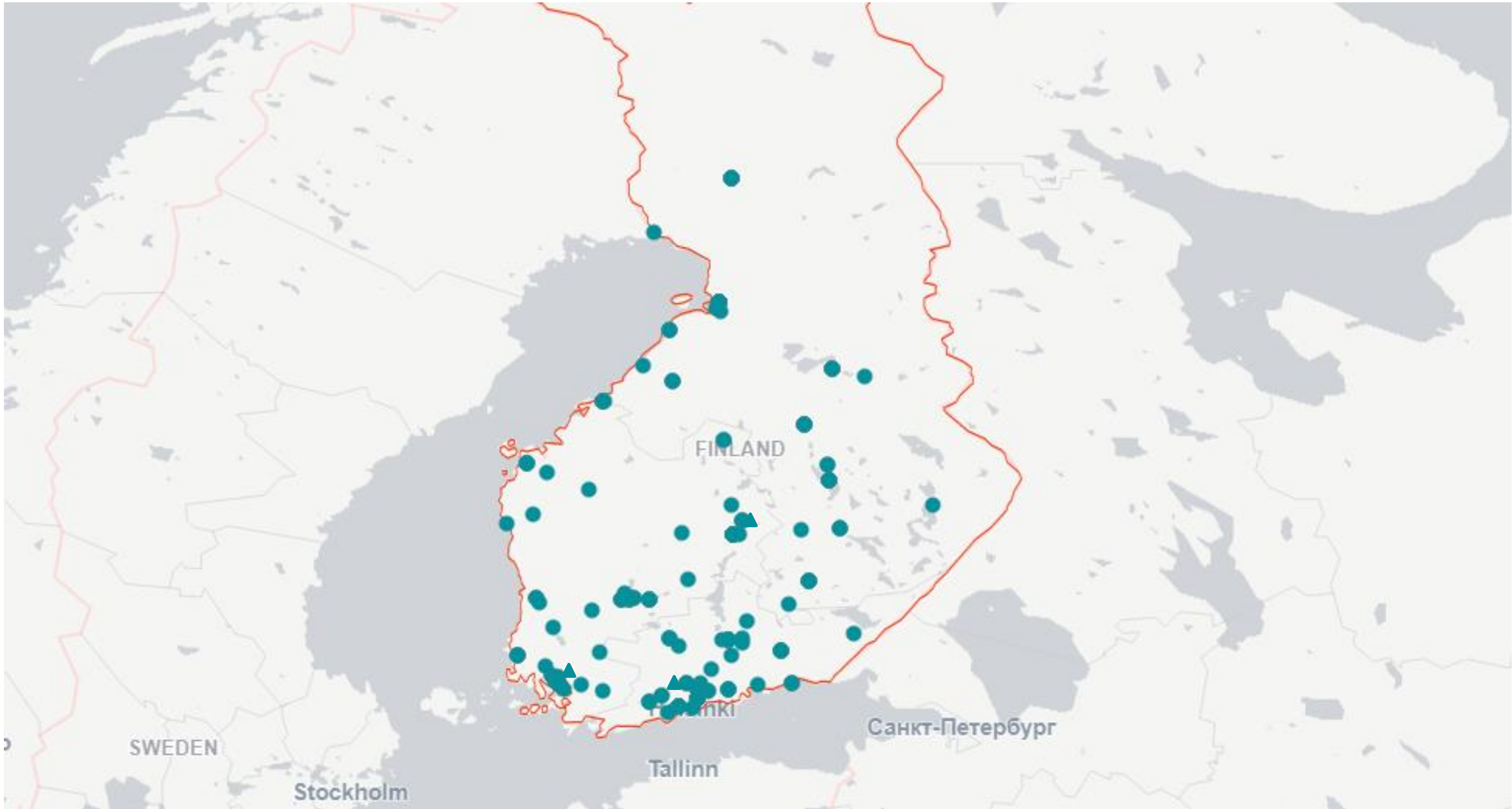
Strong long-term growth potential: one of the fastest ageing populations in Europe

'Nordic welfare state'

Growth and consolidation of the private operators' market

Growing share of public tenants in the Finnish portfolio

# Finnish healthcare portfolio




- Marketable investment properties
- Projects or acquisitions subject to outstanding conditions in the investment program

# Finnish healthcare portfolio

**Koy Kuopion Männistönkatu PK, Kuopio - 168 units**


**Oulu Jahtivoudintie, Oulu - 340 units**

**Koy Lohjan Sahapiha, Lohja - 110 units**

**Koy Espoon Matinkartanontie, Espoo - 537 units**

# Swedish healthcare portfolio

## PORTFOLIO OF 23 ASSETS

**€80 m**
Portfolio Fair Value

**~750**
users

**4.9%**
Yield on Fair Value

**13 years**
WAULT

**5**
projects to be completed

**12**
Tenant groups

**~€108 m**
Portfolio outlook as of 5 August 2022

**Inflation-linked**
double net long leases

**Yield on cost**
on average > 6%

**Experienced in-house development team**

**'Build & hold' model**
giving access to development margins

## Sweden

Long-term growth potential, but very mature (domestic) market

'Nordic welfare state'

Growing private sector in a fragmented operators' market

# Swedish healthcare portfolio


- ● Marketable investment properties
- ▲ Projects or projects subject to outstanding conditions in the investment program

# Swedish healthcare portfolio

Bälinge Lövsta 9:19, Uppsala
- 12 units

Almungeberg 1:21 Uppsala
- 6 units

Sunnersta 120:2 & 120:4 , Uppsala
- 6 units

Förskola Kalleberga AB, Ronneby - 120 units

# Irish healthcare portfolio

## PORTFOLIO OF 13 ASSETS

**€141 m**
Portfolio Fair Value

**~1,250**
Users

**5.4%**
Yield on Fair Value

**24 years**
WAULT

**9**
projects to be completed

**4**
Tenant groups

**~€298m**
Portfolio outlook as of 5 August 2022

**Inflation-linked**
triple net long leases

## Ireland

Strong market fundamentals supporting long-term investment potential

Highly fragmented care home market

Private operators take an important market share (ca. 82%)

Part of care home stock outdated, to be renovated or replaced in the coming years

# Irish healthcare portfolio


● Marketable investment properties

▲ Projects or acquisition subject to outstanding conditions in the investment program

# Irish healthcare portfolio

**Dublin Stepaside, Stepaside - 119 units**

**Duleek Nursing Home, Duleek - 121 units**

**Waterford care home, Waterford - 64 units**

**Dundalk Nursing Home, Dundalk - 130 units**

# Spanish healthcare portfolio

## PARTNERSHIP WITH SPANISH OPERATOR

**€75 m**
initial portfolio ambition

**~1,000**
Users

**Approx. 5.5%**
Initial Rental yield

**Inflation-linked**
triple net long leases

**Up to 5**
projects expected within framework with Euroger starting in 2022

**1**
Tenant group

**~€16m**
Portfolio outlook as of 5 August 2022

## Spain

Strong market fundamentals supporting long-term investment potential

Fragmented care home market

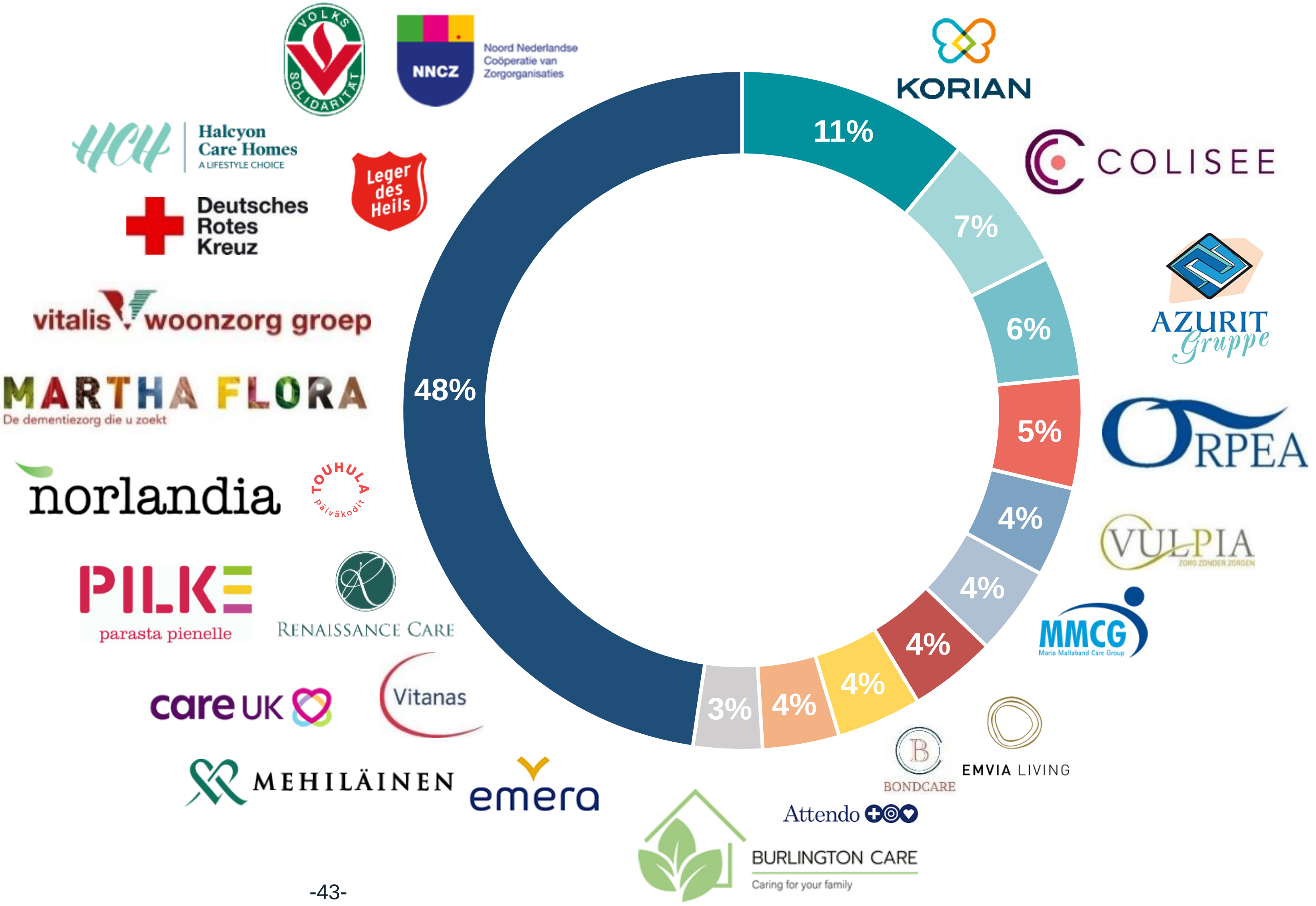
Part of care home stock outdated, to be renovated or replaced in the coming years

# Healthcare real estate tenants

## Tenant diversification[1]

**599 sites with approx. 280 tenants (or >130 'groups') representing European, national and local profit and not-for-profit operators**

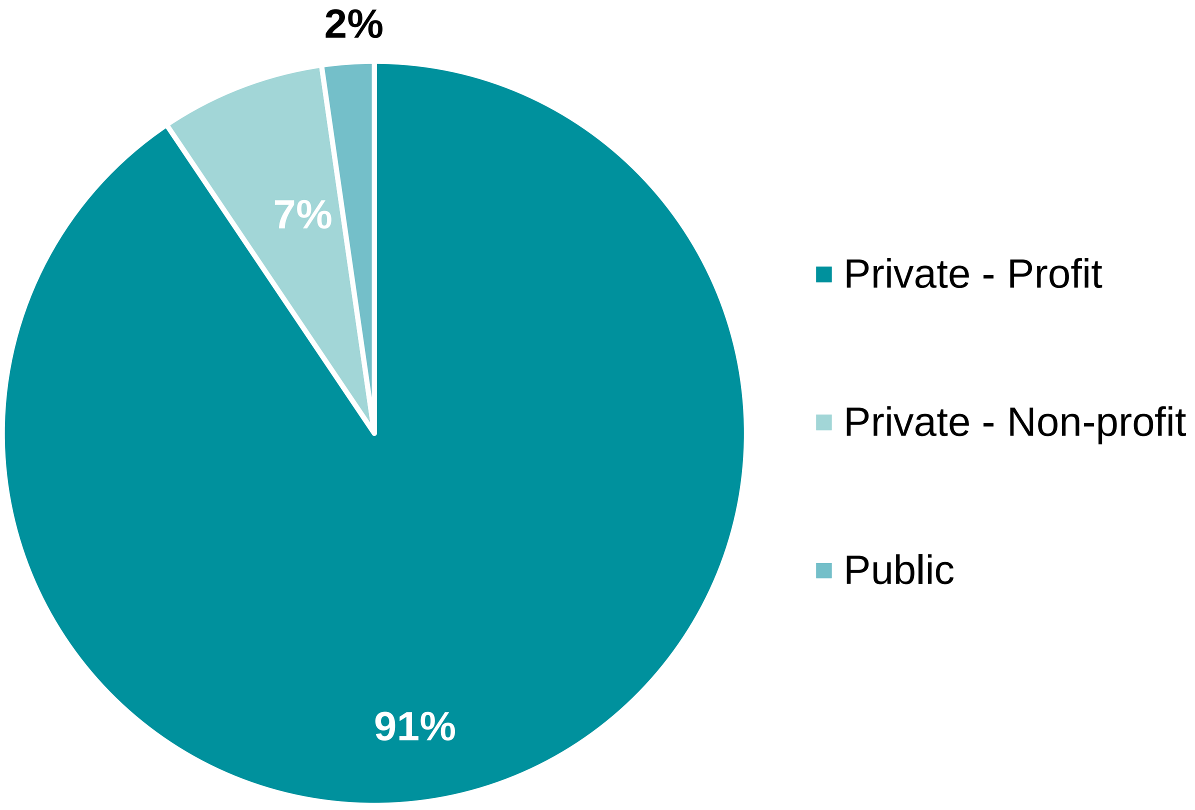
**No 'operator group' leases more than 11% of Aedifica's consolidated assets**




[1] Based on the contractual rents.

# Healthcare real estate tenants

## Tenant diversification[1]




**Predominantly private operators**

**Growing public and non-profit segments among tenants**

[1] Based on the contractual rents.

# Elderly care sector regulations

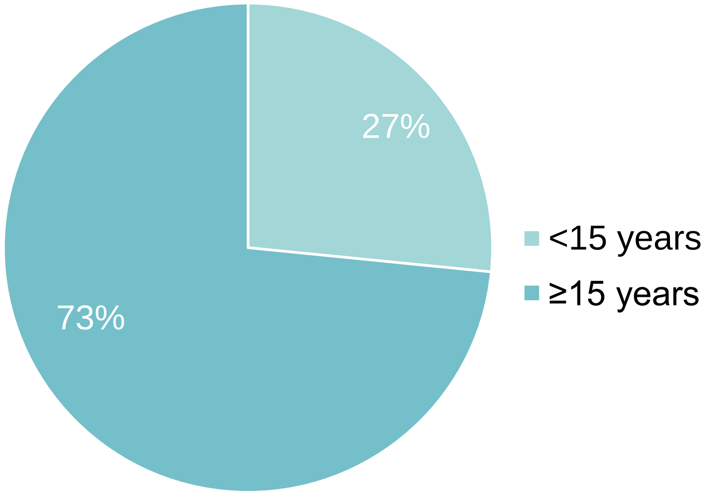
| BELGIUM | GERMANY | NETHERLANDS | UK |
|---|---|---|---|
| Regional | Local municipality (*Heimaufsicht*) & Medical service of statutory care insurers (*MDK*) | National | National |
| New home supervision/ event based / periodic inspections | Annual/event based inspections | Risk- & event based inspections | Opening of a new home, then frequency of follow up inspections based on previous rating |
| Reports publicly available in Flanders | Public ratings (MDK) | Reports publicly available | Ratings & reports publicly available |

# Elderly care sector regulations

| FINLAND | SWEDEN | IRELAND | SPAIN |
|---|---|---|---|
| National & Regional (for early childhood education & care) | National | National | Regional |
| Opening of new home / periodic / event based inspections | Opening of new home / periodic / event based inspections | Opening of a new home / annual inspections | Opening of new home / event based / periodical inspections |
| Reports available upon request | Reports available upon request | Reports publicly available | Reports not publicly available |
| Valvira National Supervisory Authority for Welfare and Health; Regional State Administrative Agency | Inspektionen för vård och omsorg | Health Information and Quality Authority An tÚdarás Um Fhaisnéis agus Cáilíocht Sláinte | |

# Lease maturity & occupancy rate

## UNEXPIRED LEASE TERM

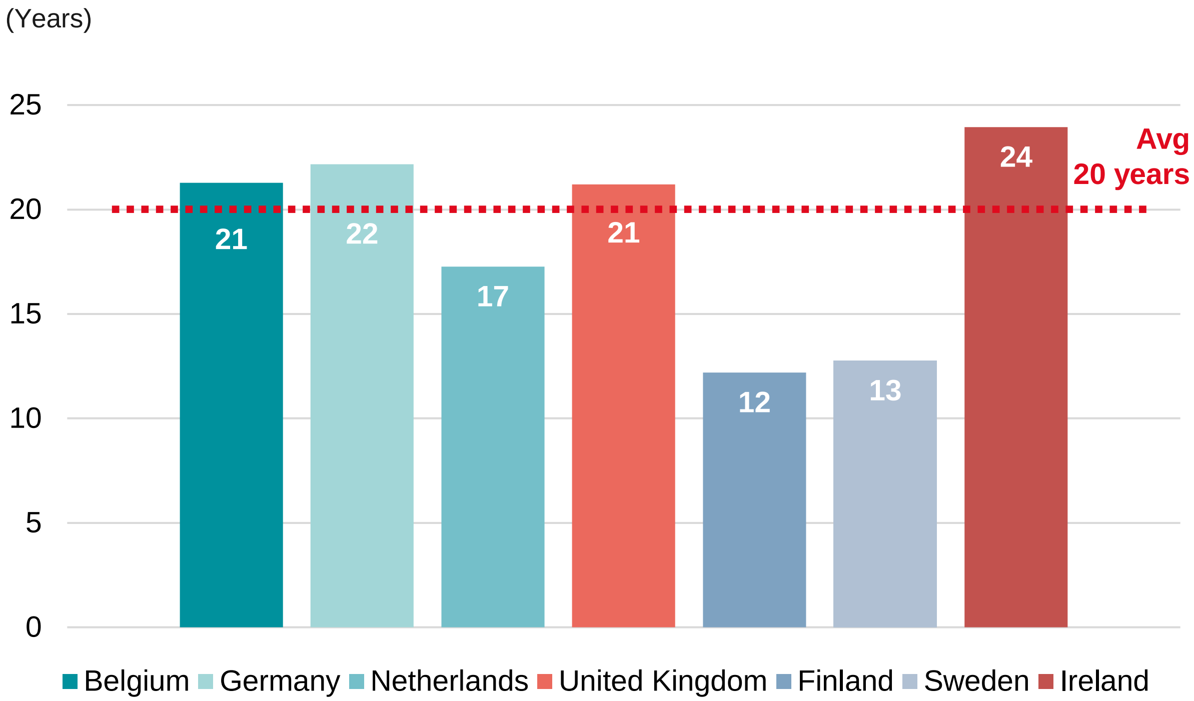



**20 years**
Weighted average unexpired lease term

**100 %**
Occupancy rate

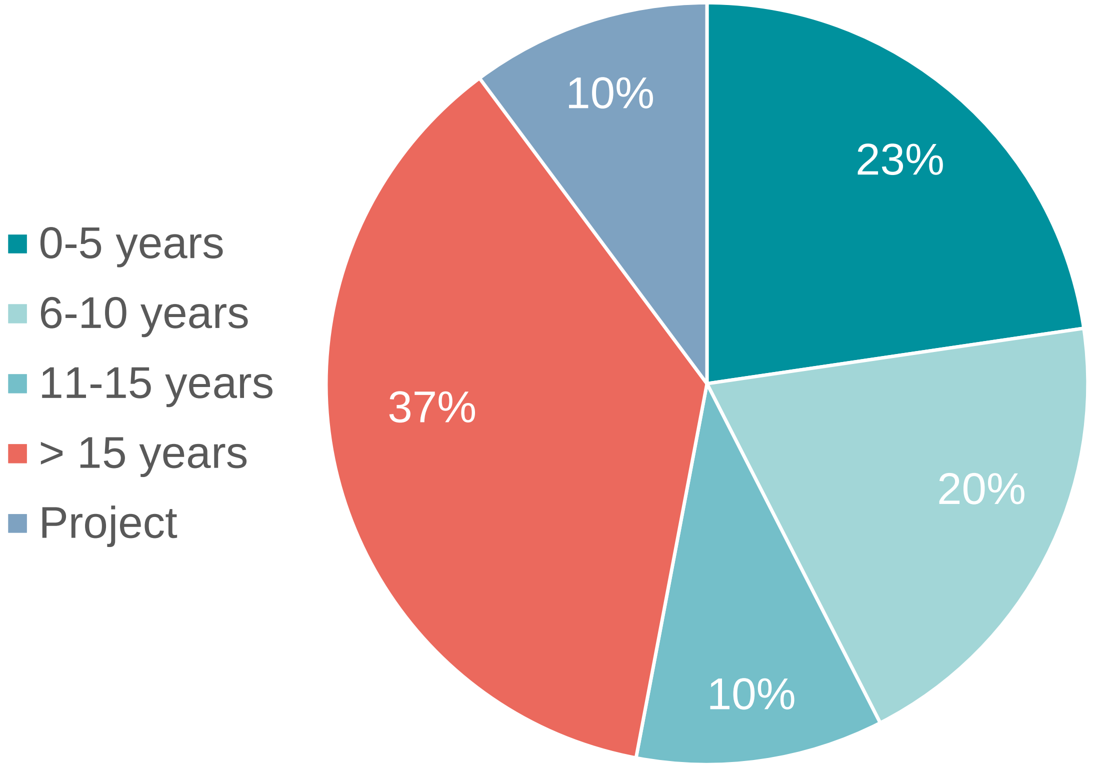
Marketable investment properties incl. assets classified as held for sale (€4,981 m), excl. rights of use of plots of land.

## WAULT BY COUNTRY



# Age of buildings

## >60% OF THE PORTFOLIO IS LESS THAN 15 YEARS OLD

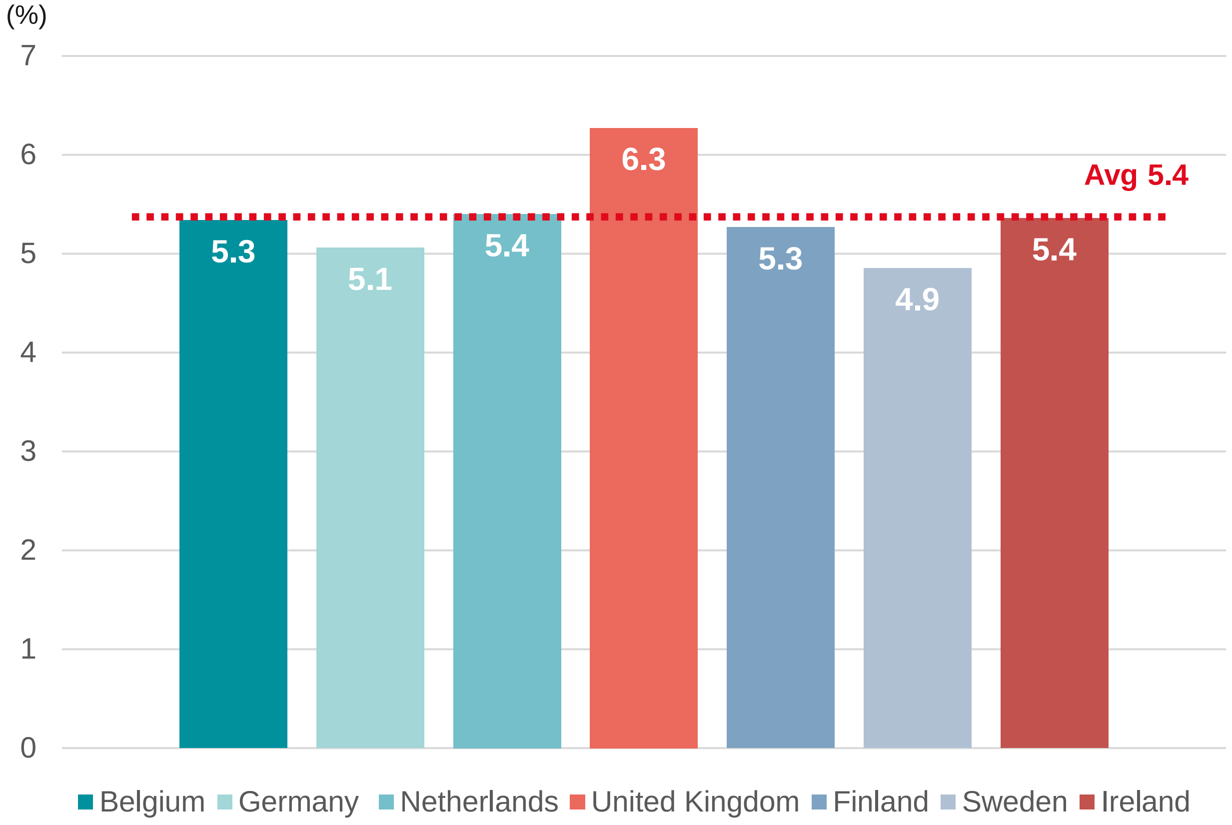



Age profile based on a weighted average of the gross square footage of our properties using completion date of a construction or renovation phase done onsite.

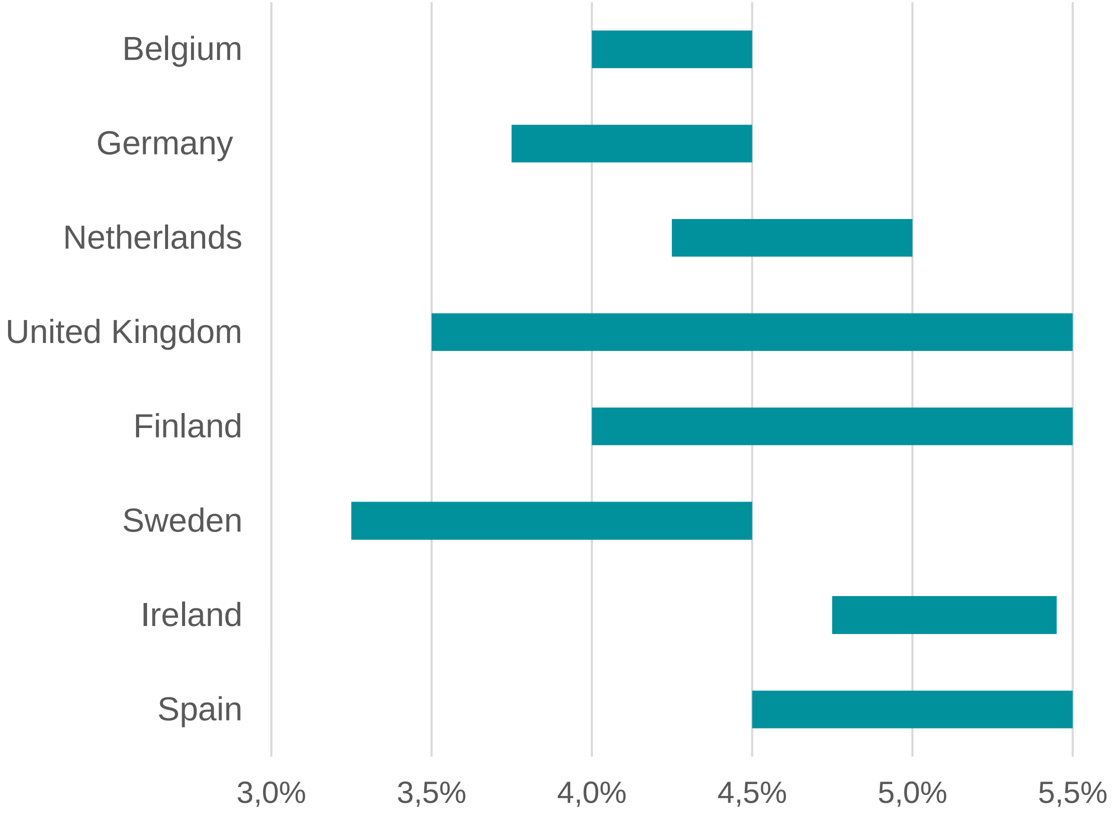
# Gross yields on fair value and prime yields

## GROSS YIELDS ON FAIR VALUE

### Conservative valuation yields




## PRIME YIELDS

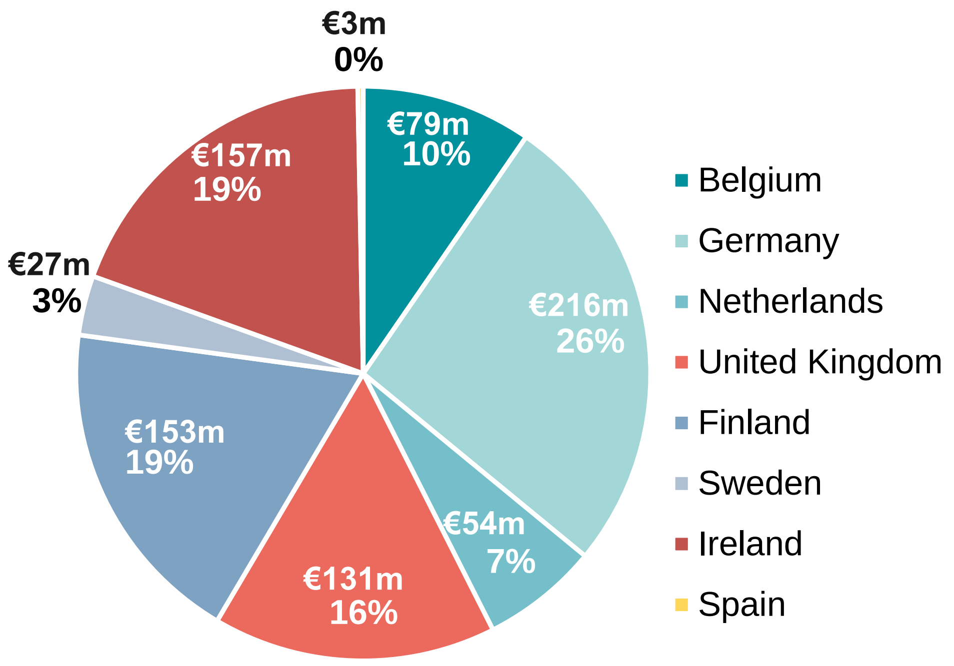



Source: Company estimates

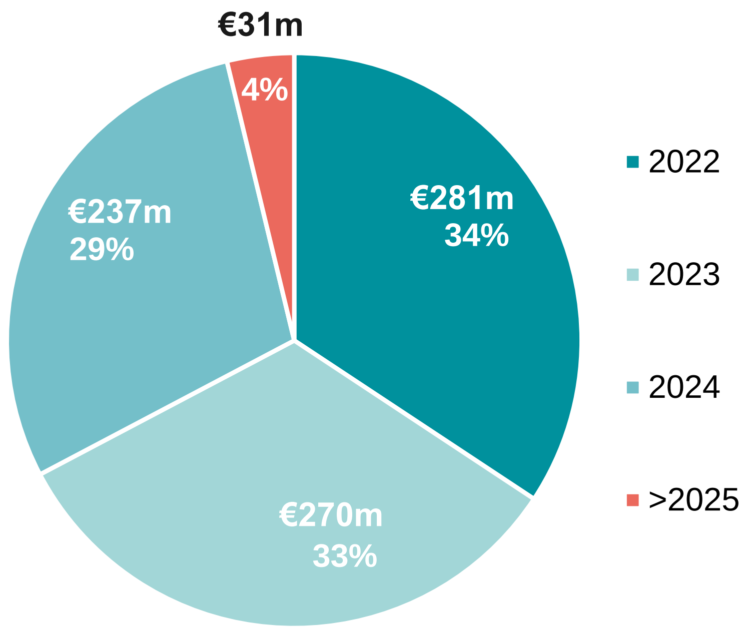
# Committed development projects

## Pipeline: €820 million

### GEOGRAPHICAL SPLIT




### EXPECTED DELIVERY DATE



# Portfolio growth

## Development projects

**Turku Herttuankulma - Turku (FI)**
Construction start: Q1 2021
Expected completion: Q4 2022

**Seniorenquartier Langwedel – Langwedel (DE)**
Construction start: Q4 2021
Expected completion: Q4 2022

**Strängnäs Bivägen – Strängnäs (SE)**
Expected completion: Q1 2023

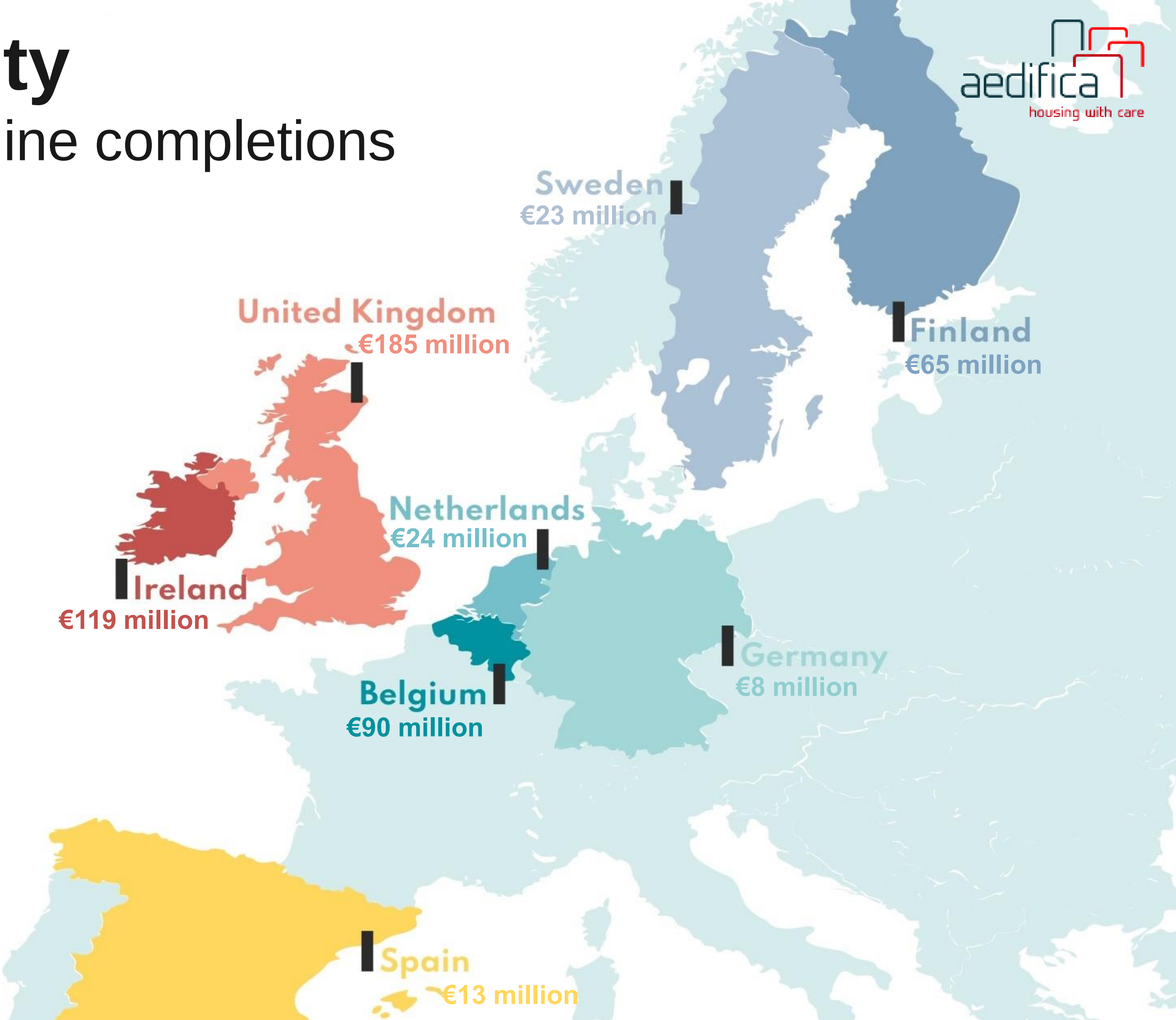
**Waterford Carrigea Crescent – Waterford (IE)**
Construction start: Q4 2021
Expected completion: Q1 2023

# Investment activity

## New acquisitions & pipeline completions

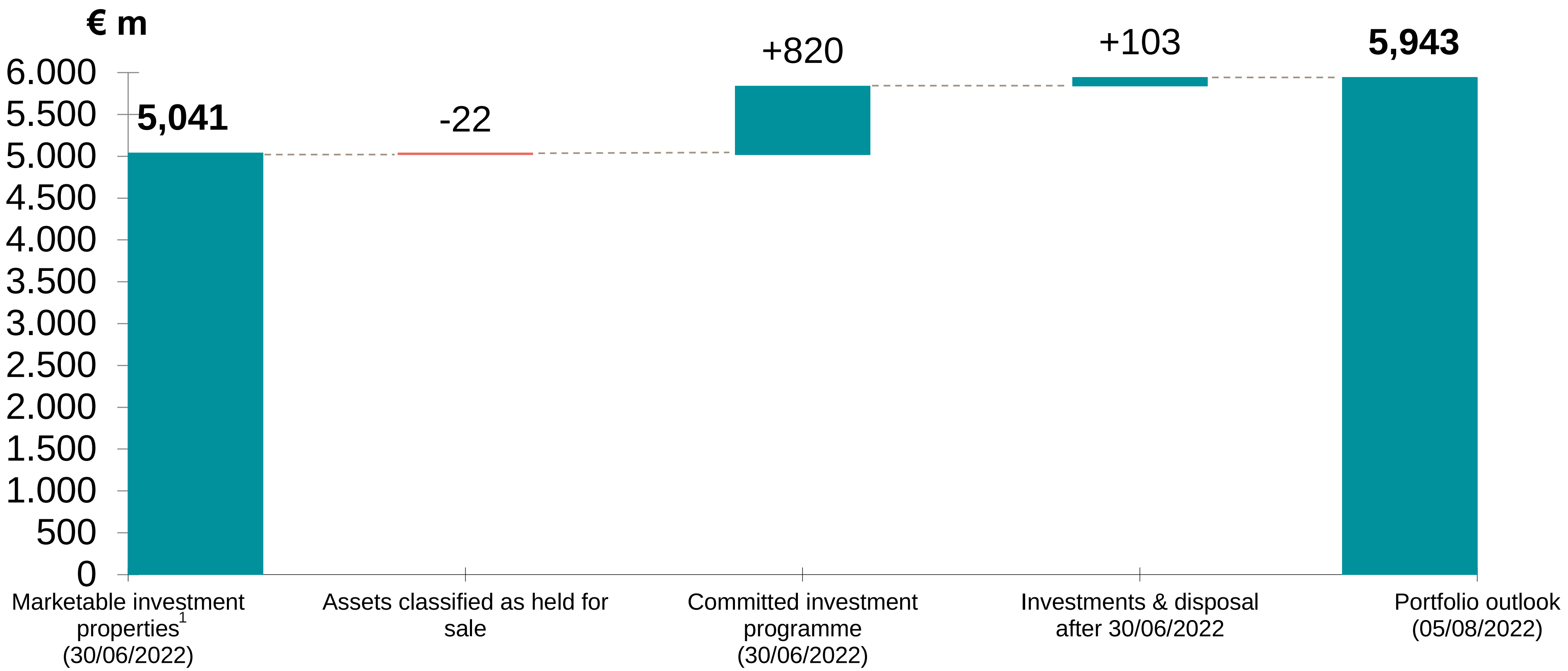
**~ €527 million (42 sites) added or announced YTD**
(see map)

**~ €63 million (14 projects) completed during H1 2022**



# Portfolio outlook

## Total portfolio outlook: €5.9 billion




[1] Incl. rights of use of plots of land and assets classified as held for sale.

# Outlook

**Förskola Kalleberga AB**
**Ronneby - Sweden**

# Outlook FY 2022

**€273 million**
Rental income

**€300 million**
Pipeline deliveries in 2022

**~ €800 million**
Hypothetical new investments of which €450 m cash flow generating

**<45%**
Debt-to-assets ratio (end 2022)

**£1 = € 1.15**
Foreign exchange assumption

**~ €900 million**
Cash out during 2022 related to the investment program
- €450 m cash flow generating acquisitions
- €350 m existing pipeline execution capex
- €100 m new projects execution capex

**No fair value changes**
of portfolio assumed

**~€55 million**
Asset rotation

**€177 million**
EPRA Earnings

**€4.64/share**
EPRA EPS
(+ 6.7% vs. 2021)

**€3.70/share**
Gross DPS
(+ 8.8% vs. 2021)

**Consistent growth in expected EPS and DPS despite a more challenging environment as market fundamentals remain intact**

# Thank you

## QUESTION?

Please unmute yourself, turn on your camera and start by saying your name

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**Stefaan Gielens** - **Chief Executive Officer**

**Ingrid Daerden** - **Chief Financial Officer**

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# Forward-looking statement

*This Presentation includes forward-looking statements that reflect the Company's intentions, beliefs or current expectations concerning, among other things, the Company's results, condition, performance, prospects, growth, strategies and the industry in which the Company operates. These forward-looking statements are subject to risks, uncertainties and assumptions and other factors that could cause the Company's actual results, condition, performance, prospects, growth or opportunities, as well as those of the markets it serves or intends to serve, to differ materially from those expressed in, or suggested by, these forward-looking statements. The Company cautions you that forward-looking statements are not guarantees of future performance and that its actual results and condition and the development of the industry in which the Company operates may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if the Company's results, condition, and growth and the development of the industry in which the Company operates are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in future periods. The Company and each of its directors, officers and employees expressly disclaim any obligation or undertaking to review, update or release any update of or revisions to any forward-looking statements in this Presentation or any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based, except as required by applicable law or regulation.*

# Appendix

Villa Casimir
Roermond - Netherlands

# Portfolio growth

## Investment programme as of 30 June 2021

### INVESTMENT PROGRAMME: €820 MILLION

| Country | Development projects (in € million) | Rent (in € million) |
|---|---|---|
| BE | 79 | 3 |
| DE | 216 | 10 |
| NL | 54 | 3 |
| UK | 131 | 8 |
| FI | 153 | 10 |
| SE | 27 | 2 |
| IE | 157 | 8 |
| SP | 3 | 0 |
| **Total** | **820** | **43** |

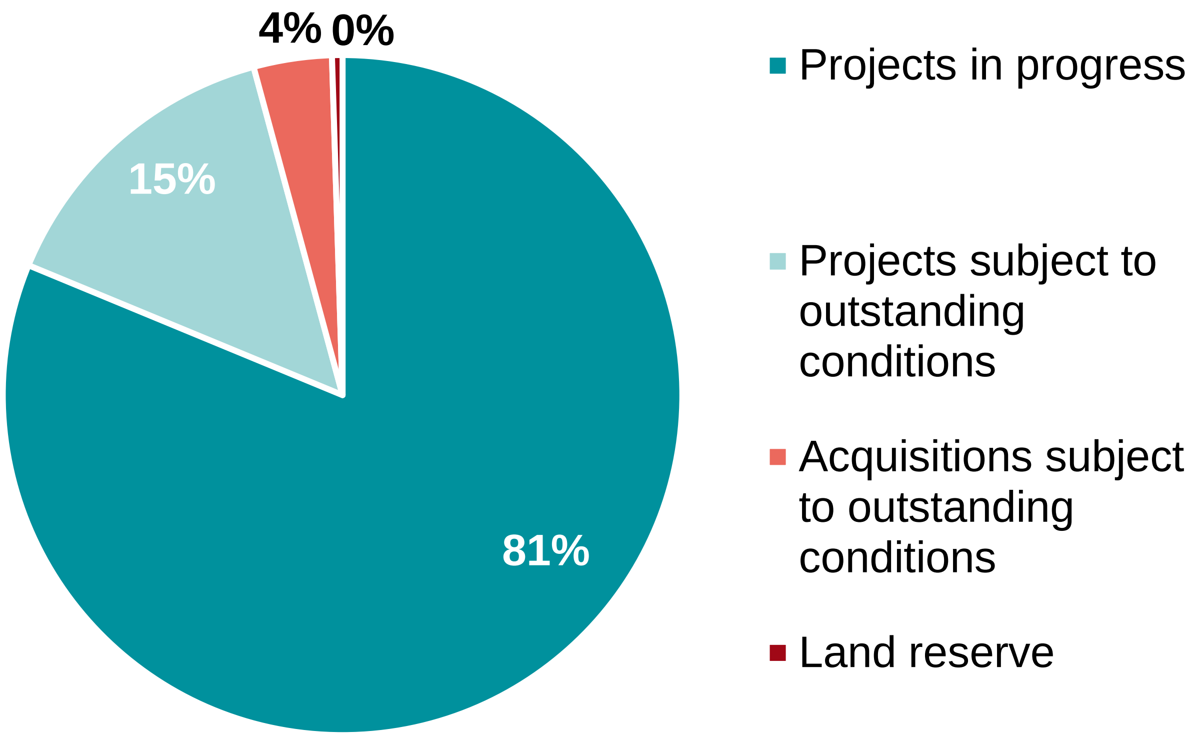
| Fiscal year | Development projects (in € million) | Rent (in € million) |
|---|---|---|
| 2022 | 281 | 15 |
| 2023 | 270 | 15 |
| 2024 | 237 | 12 |
| >2025 | 31 | 1 |
| **Total** | **820** | **43** |

| Rent | Development projects[1] (in € million) | Rent (in € million) | Yield[2] |
|---|---|---|---|
| Triple net | 419 | 22 | 5.2% |
| Double net | 396 | 21 | 5.4% |
| Land reserve | 4 | - | |
| **Total** | **820** | **43** | **5.3%** |

[1] Amounts excluding contractual value of plots of land.
[2] Yields calculated based on incremental rents versus total commitment excluding land investment and buildings in operation.

# Portfolio growth

## Pipeline: €820 million




**PRE-LET DEVELOPMENT PROJECTS AND ACQUISITIONS IN PROGRESS**